

Message Text

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TO SECSTATE WASHDC 5862

SECDEF WASHDC

CNO WASHDC

INFO JCS WASHDC

USCINCEUR VAIHINGEN GER

CINCUSNAVEUR LONDON ENG

C O N F I D E N T I A L SECTION 01 OF 02 MADRID 09791

E.O.11652:GDS

TAGS :MARR, MASS, SP, US

SUBJ :FOLLOW-UP ON DEFENSE MINISTER'S VISIT TO THE US :

SHIP SALES UNDER THE 1976 TREATY.

1. THE UNRESOLVED ISSUE OF HOW TO FULFILL THE PROVISIONS OF ARTICLE VIII, SUPPLEMENTARY AGREEMENT 7 OF THE 1976 TREATY, UNDER WHICH THE US WAS TO OFFER FOR SALE TO SPAIN FOUR OCEANGOING MINESWEEPERS AND ONE MINESWEEPER TENDER, AND THE OUTSTANDING OFFER UNDER THE 1970 AGREEMENT OF AN OILER, FIGURED PROMINENTLY IN DEFENSE MINISTER GUTIERREZ MELLADO'S CONVERSATIONS IN WASHINGTON EARLIER THIS MONTH, AND IN HIS AUGUST 11 CONVERSATION WITH THE AMBASSADOR UPON HIS RETURN. THE SPANISH NAVY HAS REJECTED CNO'S LATEST ALTERNATIVE OFFER OF TWO DIESEL SUBMARINES AND TWO CASA GRANDE CLASS LSD'S. GUTIERREZ MELLADO HAS EXPRESSED GREAT CONCERN TO THE AMBASSADOR, AS HE ALSO DID IN WASHINGTON TO THE VICE PRESIDENT, SECRETARY BROWN, UNDER SECRETARY BENSON, ADMIRAL HAYWARD, AND OTHERS, THAT THE US WOULD NOT OFFER MORE MODERN SHIPS. ON THE OTHER HAND HE WAS ALSO
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VERY IMPRESSED BY THE ENCOURAGEMENT GIVEN BY MRS. BENSON, AND HAS EMPHASIZED THIS IN CONVERSATIONS HERE. ALTHOUGH HIS DISCUSSIONS IN WASHINGTON MAY HAVE GIVEN HIM A SOMEWHAT GREATER APPRECIATION OF THE PROBLEMS WHICH THE US NAVY FACES -- SOMETHING WE HAVE LONG TAKEN PAINS TO EXPLAIN HERE TO THE SPANISH -- HE CLEARLY STILL BELIEVES THAT WITH THE SIZE OF OUR NAVAL FORCES WE COULD OFFER BETTER SHIPS

THAN WE HAVE DONE SO FAR.

2. WE ARE DEALING HERE WITH A GROWING AND ALREADY WIDE-SPREAD VIEW THAT THE US IS IMPLEMENTING THE 1976 TREATY AS IF IT WERE A "COMMERCIAL" RELATIONSHIP, AND GIVING SPAIN SECOND-CLASS TREATMENT RATHER THAN DEALING WITH HER AS A REAL PARTNER. THIS VIEW IS INTENSIFIED BY A PREJUDICE OF LONG YEARS' DURATION, DESPITE OUR BEST EFFORTS, THAT THE US HAS ONLY BEEN ABLE TO OFFER SPAIN VERY OLD AND SOMEWHAT MARGINALLY USEFUL SHIPS. MOREOVER, THIS PREJUDICE IS ONE WHICH HAD GONE BEYOND THOSE IN THE SPANISH GOVERNMENT WHO SPEAK WITH AN EAR TO THE EFFECT ON US OF THEIR WORDS AND HAD ENTERED THE ARENA OF PUBLIC MYTHOLOGY EVEN BEFORE THE NEGOTIATION OF THE PRESENT TREATY.

3. THE EMBASSY BELIEVES THAT IT IS IMPORTANT TO RESPOND PROMPTLY TO OBVIOUS HIGH LEVEL INTEREST IN THIS PROBLEM. AS WE SEE IT, THERE ARE FOUR CHOICES AVAILABLE TO US AT THIS POINT.

A. TELL THE SPANISH THAT, HAVING MADE TWO OFFERS TO THEM OF SHIPS, BOTH OF WHICH THEY REJECTED, WE CONSIDER THAT WE HAVE FULFILLED OUR OBLIGATION UNDER THE TREATY, AND DO NOT PROPOSE TO MAKE ANY FURTHER OFFERS AT THIS TIME. WE COULD INDICATE, HOWEVER, A WILLINGNESS TO CONSIDER ANY SERIOUS SPANISH PROPOSAL OF WHAT THEY MIGHT WANT TO BUY, CONFIDENTIAL

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SUBJECT TO THE AVAILABILITY OF EXCESS SHIPS.

B. MAKE ANOTHER EFFORT TO IDENTIFY SHIPS WHICH COULD BE DECLARED EXCESS AND SOLD TO THE SPANISH, AND COME UP WITH A NEW OFFER.

C. SEEK THE AUTHORITY TO SELL THE SPANISH A SHIP OR SHIPS FROM THE US RESERVE FLEET, ON THE BASIS OF THIS SHIP OR SHIPS' BEING USED FOR MISSIONS DIRECTLY CONTRIBUTING TO WESTERN DEFENSE IN THE "GEOGRAPHIC AREA OF COMMON INTEREST", AS PART OF OUR TREATY RELATIONSHIP.

D. PROPOSE TO THE SPANISH THAT, SINCE WE HAVE BEEN UNABLE TO REACH AGREEMENT ON SUITABLE SHIPS, WE ARE PREPARED TO CONSIDER OTHER ITEMS OF MILITARY EQUIPMENT -- OTHER THAN SHIPS -- WHICH COULD BE SOLD TO THEM ON FAVORABLE TERMS TO SATISFY THIS PROVISION OF THE TREATY. IN THIS CASE, WE COULD POINT TO THE ROUGHLY SIMILAR CASE UNDER THE TREATY OF THE SPANISH DECISION TO PURCHASE F-4C AIRCRAFT INSTEAD OF LEASING F-4E'S.

4. WE MUST REJECT OPTION A. IT WOULD ONLY DEEPEN SPANISH

DISSATISFACTION WITH THE IMPLEMENTATION OF THE TREATY, BE
TAKEN AS A DIRECT REBUKE, ESPECIALLY IN THE WAKE OF THE
DEFENSE MINISTER'S VISIT, AND INVITE RETALIATION IN SOME
FORM. AS FOR B, WE ARE SOMEWHAT DUBIOUS, GIVEN THE HISTORY
OF MANY YEARS ON THIS GENERAL ISSUE AND WHAT THE LEVEL OF
SPANISH NAVY NEEDS ARE TODAY, THAT WE WILL BE ABLE TO COME
UP WITH AN OFFER WHICH THE SPANISH WOULD ACCEPT. EXCESS
US SHIPS ARE PROBABLY NO LONGER THE ANSWER FOR THE SPANISH
NAVY'S PROGRAM OF MODERNIZATION -- A PROGRAM OF DIRECT
IMPORTANCE FOR SPAIN'S LONG-TERM CONTRIBUTION TO WESTERN
DEFENSE, INCLUDING POSSIBLE NATO MEMBERSHIP. ADDITIONALLY,

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C O N F I D E N T I A L SECTION 02 OF 02 MADRID 09791

EACH OFFER AND REJECTION CYCLE AGGRAVATES OLD WOUNDS.

5. WE BELIEVE THAT THE THIRD CHOICE OFFERS THE BEST POS-
SIBILITY OF FINDING SHIPS WHICH WOULD BE SUITABLE FOR SALE
TO THE SPANISH. WE ARE, OF COURSE, NOT IN A POSITION TO
JUDGE EXACTLY WHAT IMPACT DRAWING FROM THE RESERVE FLEET,
AN ACTIVE, VIABLE PART OF USN ASSETS, MIGHT HAVE ON OUR
OWN MILITARY POSTURE, OR WHAT LEGAL AND CONGRESSIONAL DIF-
FICULTIES SUCH A SCHEME MIGHT FACE. THE FOURTH CHOICE
OFFERS US THE CHANCE TO MEET SPANISH MILITARY NEEDS IN
OTHER AREAS, WHICH MIGHT BE EASIER FOR US TO DO AND FOR
WHICH THERE IS AN AIR FORCE PRECEDENT. WE WOULD HAVE TO BE
PREPARED, HOWEVER, TO DEAL SERIOUSLY WITH WHAT MIGHT BE
AMBITIOUS SPANISH NAVY REQUESTS, AND WOULD HAVE NO GUARAN-
TEE THAT WHAT WE MIGHT CONSIDER TO BE AN ADEQUATE SUBSTI-

TUTE WOULD MEET WITH SPANISH APPROVAL.

6. WE STRONGLY AGREE ON ONE POINT WITH GUTIERREZ MELLADO
-- THAT IT IS IN BOTH THE US AND SPANISH INTEREST TO GET
THIS ISSUE BEHIND US BEFORE WE GET CLOSE TO THE NEXT ROUND
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OF BASE NEGOTIATIONS. WE THEREFORE RECOMMEND THAT A COM-
BINATION OF OPTIONS C AND D BE GIVEN EARLY CONSIDERATION,
UNLESS WASHINGTON IS CONFIDENT THAT IT CAN MAKE A NEW
OFFER TO THE SPANISH OF EXCESS SHIPS (OPTION B) WHICH THE
SPANISH NAVY WILL FIND ATTRACTIVE, IN WHICH CASE A COMBINA-
TION OF OPTION B AND D MIGHT YET BE APPROPRIATE. EITHER
WAY, THE OBJECTIVE WOULD BE TO PUT TOGETHER THE BEST
PACKAGE SHIP OFFER WE CAN AND TO OFFER IT TO THE SPANISH IN
A WAY WHICH WILL REMOVE THIS IRRITANT IN OUR RELATIONS BY
ALLOWING SATISFACTION OF THE TREATY REQUIREMENT BY OTHER
MEANS SHOULD THAT PACKAGE OFFER NOT BE ACCEPTABLE TO THE
SPANISH.

7. THE SPANISH NAVY IS OUTWARD LOOKING, GENERALLY
FAVORABLE TO NATO MEMBERSHIP AND ANXIOUS TO PLAY A PART
IN WESTERN DEFENSE AS A WELCOME AND EQUAL PARTNER. TO THE
EXTENT WE FURTHER THESE ATTITUDES, WE OBVIOUSLY SERVE THE
US NATIONAL INTEREST. TODMAN

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